

Guide for Review of Cost Allowability			
Name of Program Participant:			
Staff Consulted:			
Name(s) of Reviewer(s)		Date	

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding**."

Instructions: The HUD reviewer should use this Exhibit to evaluate the program participant's allocation of costs and to verify that its procedures comply with OMB Circular A-87 and 24 CFR §85.22. The reviewer should randomly select an appropriate sample of administrative items of cost (based on size of most recent grant, amount of time, results of pre-monitoring preparation, etc.) to evaluate compliance.

Questions

1.

Provide information on the selected sample of cost items in table below. (If additional rows are needed, please attach an additional sheet.)				
	COST ITEM DESCRIPTION	BUDGETED	EXPENDED	DATE EXPENDED
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

Exhibit 3-19
CDBG Entitlement Program

2.

Does a spot check of the above sample reveal any obvious instances where these expenditures were not necessary and reasonable for proper and efficient administration of the program per 24 CFR 85.22 and OMB Circular A-87, Attachment B? [24 CFR 570.502(a)(6)]			
a. salaries and related costs? [OMB Circular A-87, Attachment B, #8(1)(b)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
b. professional service contracts (e.g., legal, accounting, auditing, consulting)? [OMB Circular A-87, Attachment B, #32]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
c. travel expenditures? [OMB Circular A-87, Attachment B, #43]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
d. other administrative costs, e.g., training? [OMB Circular A-87, Attachment B, #42]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion: 			

3.

Does a review of program expenditures reveal the existence of any unallowable costs as itemized in OMB Circular A-87, Attachment B, at 24 CFR 85.22, including: [24 CFR 570.502(a)(6)]			
a. entertainment? [OMB Circular A-87, Attachment B, #14]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
b. contributions and donations? [OMB Circular A-87, Attachment B, #12]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
c. fines and penalties? [OMB Circular A-87, Attachment B, #16]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
d. general governmental expenditures including salary and expenses of the chief executive officer of the program participant? [OMB Circular A-87, Attachment B, #19]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion: 			

Exhibit 3-19
CDBG Entitlement Program

6509.2 REV-5

4.

If deficiencies were noted in questions 2 and 3 above, does your review indicate that the problems are isolated or systemic?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

5.

Have any costs related to lobbying and political activities been charged to the grant program? [24 CFR 85.22, 24 CFR 570.502(a)(6) and 24 CFR 570.207(a)(3)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

6.

Are costs charged to the grant program after subtraction of all applicable credits? [24 CFR 85.22 and 24 CFR 570.502(a)(6)]	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		

Exhibit 3-19
CDBG Entitlement Program

7.

Are costs charged to the grant program not allocable to, or included as, a cost of any other Federally financed program in either the current or prior period? [24 CFR 85.22 and 24 CFR 570.502(a)(6)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion: <div style="height: 100px; border: 1px solid black;"></div>		

8.

If indirect costs are charged to the grant program by a program participant, or a subrecipient that is a governmental unit, are the costs supported by an indirect cost proposal prepared in accordance with OMB Circular A-87? [24 CFR 85.22 and 24 CFR 570.502(a)(6)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: <div style="height: 100px; border: 1px solid black;"></div>			

9.

If indirect costs are charged to the grant program by a subrecipient that is a nonprofit organization, are the costs supported by an indirect cost proposal prepared in accordance with OMB Circular A-122? [24 CFR 570.502(b)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: <div style="height: 100px; border: 1px solid black;"></div>			

Exhibit 3-19
CDBG Entitlement Program

6509.2 REV-5

10.

Have all planning and administrative costs subject to the 20 percent limitation been properly classified? [24 CFR 85.22, 24 CFR 570.200(g) and 24 CFR 570.502(a)(6)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

11.

Does a review of the personnel roster of staff being paid from program resources reveal any obvious instances of personnel being paid from, but not working on, program activities? [24 CFR 85.22 and 24 CFR 570.502(a)(6)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		